

Competitive Market Initiatives

Mass. Department of Telecommunication and Energy

D.T.E. 01-54

Comments of Mirant New England, Inc.

Issues to be Addressed in Phase One

August 10, 2001

Summary

Mirant New England, Inc. offers the following comments regarding the issues to be addressed in the first phase of the proceeding and other issues dealing with access to customer information:

- ?? All customers (including those with late payment charges) should be included in the program.
- ?? Distribution companies should be required to provide customer information to licensed competitive suppliers on request within 2 business days of receiving said request.
- ?? The Department should *DIRECT* distribution companies to provide historic load information and credit information for default service customers that have affirmatively authorized the release of said information.
- ?? The Department should support the elimination of the so-called “wet signature rule” and allow different forms of electronic signatures while implementing harsh penalties for suppliers caught “slamming.”
- ?? The Department should establish a single format or template for the transfer of information from distribution companies to competitive suppliers and promote the use of the internet/email for the distribution of said information.
- ?? The Department should prohibit the charging of fees for customer information.

Discussion

Mirant New England, Inc. (Mirant), an affiliate of Mirant Corporation, is pleased to provide these comments, and submits them to follow up the Department’s technical session on July 24th concerning the Department’s proposal (Order Opening Investigation Into Competitive Market Initiatives, D.T.E. 01-54) and issues dealing with access to customer information. As stated in our comments dated June 13th, Mirant applauds the Department for sponsoring this series of technical sessions. We believe that these initiatives are an important step toward realizing customer choice in the marketplace.

Mirant is engaged in the generation and marketing of wholesale electricity and the provision of risk management services in an integrated business model. Although Mirant is not engaged in retail sales at this time, we believe that the success of retail electricity markets is inextricably linked to the success of wholesale electricity markets. Liquid and robust retail and wholesale markets send competitive price signals to consumers and can produce in the long run the reliability, customer choice and cost saving benefits of a deregulated marketplace.

Before addressing the points raised in the Summary, we want to reemphasize that all participants need to support initiatives that encourage retail choice activity in order for the markets to work. To attain retail “liquidity” in the market it is necessary for consumers to see real prices, whether they are default service, standard offer or competitive supplier customers. As with any competitive market, seeing real prices allows consumers to shop for the best value. Indeed, if electricity consumers do not see (or are not allowed to see) real prices for power, there will be no market incentive to move customers away from default or standard offer service, and in fact “retail choice” will remain only an idea.

Also, retail choice will ultimately yield the migration of default service customers to competitive suppliers (assuming competition). This migration of customers away from default service will change suppliers’ risks in providing wholesale supply to the default service pool, which may lead to increased prices. That is, the Department and participants should expect that bid prices for default service may increase if the volume/migration risk increases. This is an expected and natural occurrence that would lead to more customers being serviced by competitive suppliers and default service becoming a last resort for customers seeking service, as it is designed to be.

The following will address each of the comments made in the Summary.

All customers (including those with late payment charges) should be included in the program. The Department should prohibit distribution companies from filtering their default service customer lists (e.g., for non-payment). All customers should have the option of moving to a competitive supplier. Moreover, as stated on page 8 of the Department’s proposal, the distribution companies are going to supply credit history, making the exclusion unnecessary.

Distribution companies should be required to provide customer information to licensed competitive suppliers on request within 2 business days of receiving said request. The Department should direct a timeframe within which distribution companies are required to render requested customer information to licensed competitive suppliers. Without a specific and express timeframe, distribution companies will be under no obligation to supply this information in a timely manner. We believe that two business days to comply with these requests should be more than adequate.

The Department should *DIRECT* distribution companies to provide historic load information and credit information for default service customers that have affirmatively authorized the release of said information. On page 8 of the Department's proposal, the Department "proposes" that each distribution company be required, upon request of a competitive supplier, to provide historic load information and credit information for those default service customers that have affirmatively authorized the distribution company to do so. The department should *DIRECT* the distribution companies to comply with such requests. Without this specific, express language distribution companies will be under no obligation to comply with this provision.

The Department should support the elimination of the so-called "wet signature rule" and allow different forms of "electronic" signatures while implementing harsh penalties for suppliers caught "slamming." As discussed at the technical session, elimination of the written signature requirement would promote the efficient transfer of customer information to competitive suppliers, and help to bring transaction costs down. Abuse of electronic signatures can be curtailed by withdrawing or suspending the license of any competitive supplier caught "slamming" customers. We should not prohibit consumers and businesses from enjoying the efficiencies that the internet and email have made possible because of the possibility of abuse by a few. Moreover, we should swiftly and harshly punish those who seek to abuse this medium for their own gain.

The Department should establish a single format or template for the transfer of information from distribution companies to competitive suppliers and promote the use of the internet/email for the distribution of said information. By establishing one format for the exchange of information, the Department will ensure that the same information is consistently conveyed on request and that any confidential data will not be unintentionally provided. Having a single format will also make troubleshooting any complaints by customers more efficient as the template will be the same for all requests for information.

The Department should prohibit the charging of fees for customer information. Distribution companies should not be allowed to charge fees for data requests. As discussed above, the use of a uniform template through an electronic medium such as the internet or email will help to minimize any expense associated with the transfer of such information.

We thank you for the opportunity to present these comments and look forward to further deliberations on these issues.